



Mississippi Department
of Transportation



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MDOT State Study 274— Final Report: Improving Federal Transit Administration Vehicle Procurement in Mississippi

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16. Abstract The Mississippi Department of Transportation (MDOT) seeks to thoroughly assess its transit vehicle procurement processes, compare best practices from other states, and identify recommendations for improved efficiency. The research conducted for the study includes a review of the current existing literature on procurement processes, existing MDOT methods and federal requirements, an examination of other state methods, and recommended improvements.			
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List of Abbreviations

American Public Transportation Association (APTA)
Capital Acquisition/Asset Management Program (CAAMP)
Community Transportation Association of America (CTAA)
Department of Transportation (DOT)
Federal Transit Administration (FTA)
Federal Transit Administration Best Practices Procurement and Lessons Learned Manual (BPPLLM)
Fixing America's Surface Transportation Act (FAST Act)
Invitation for Bid (IFB)
Mississippi Department of Finance and Administration (MDFA)
Mississippi Department of Finance and Administration Office of Purchasing, Travel, and Fleet Management (OPTFM)
Mississippi Department of Finance and Administration Public Procurement Review Board (PPRB)
Mississippi Department of Transportation (MDOT)
Mississippi Department of Transportation Public Transit Division (PTD)
Moving Ahead for Progress in the 21st Century (MAP-21)
National Rural Transit Assistant Program (RTAP)
Request for Proposals (RFP)
American Public Transportation Association Standard Bus Procurement Guidelines (SBPG)
System for Awards Management (SAM)

Executive Summary

The Mississippi Department of Transportation (MDOT) reviewed its transit vehicle procurement process in an effort to improve the delivery of vehicles for transit providers. This report documents the study's findings and recommendations, including the existing literature on transit vehicle procurement and specifications development; current Federal Transit Administration (FTA) procurement requirements and MDOT procurement methods; and national best practices and peer state procurement methods. Based on the key findings, the report identifies a series of recommended improvements to the existing transit vehicle procurement process at MDOT.

Literature Review

The literature review on transit procurement processes underscores that existing public transportation vehicle procurement practices do not fit into a single category, but range from "highly centralized" to "highly decentralized." Most state departments of transportation (DOTs) prefer to lead the procurement process and ensure that federal procurement compliance requirements are satisfied, rather than allowing direct procurement by subrecipients. Additionally, states are increasingly reaching out to transit agencies and various stakeholders to develop vehicle specifications and ensure local needs are more closely met.

Existing Procurement Processes

A variety of federal compliance documents describe the requirements for making purchases using FTA funds. In order to ensure compliance, MDOT, in conjunction with the Mississippi Department of Finance and Administration (MDFA), oversees and manages the solicitation and selection of vendors to provide transit vehicles under a state procurement contract. Overall, assuming minimum delays relative to required meeting dates, the major steps in the vehicle acquisition process – vehicle specifications, bid solicitation, procurement/contract award, and vehicle delivery – require approximately 15 months to complete. While some steps in the existing state procurement process offer limited room for change, such as public notice periods and state board and commission meetings, other steps may present opportunities for improvement. For example, MDOT currently develops specifications for transit vehicles on an as needed basis. By establishing a more formal specifications development process, vehicle specifications can be more readily adapted to account for continuous changes in equipment technologies and subrecipient needs.

Best Practices

The initial analysis for the study also reviewed procurement guidance from national organizations and best practices from other states. The study specifically compares the vehicle specification development and procurement processes utilized by five peer states. State DOTs responding to the survey were: Iowa, Michigan, Minnesota, North Carolina, and Ohio. In addition, survey results from recent national and state DOT studies were also reviewed. While MDOT's existing 15-month procurement timeframe generally compares favorably to many peer states, processes in other states merited further analysis for potential improvement strategies.

Recommendations

The study's initial tasks highlighted a number of strengths and opportunities associated with MDOTs existing transit vehicle procurement process. The strengths and opportunities include:

Strengths

- State led procurement processes, such as MDOT's, are typically more efficient and cost-effective than subrecipient led procurement;
- MDOT's transit procurement processes are consistent with FTA required and recommended best practices;
- While specifications development takes approximately six weeks at MDOT for each technical specification, the total number of technical specifications to be developed – in some instances ten or more, can require an extensive period of time;
- MDOT's current contract maximum vehicle delivery timeframe of 180 days is within the generally accepted industry range of 4-6 months, although there may be smaller opportunities to reduce the amount of order and delivery time;
- The MDOT selection process, including the solicitation of bids and procurement, averages approximately six months, comparable to peer states but at the high end of the range; and
- MDOT's current 5-year, vehicle procurement contract length (one year with one-year renewable options) is consistent with industry best practices, maximizing the time and effort invested in the procurement process while remaining current with subrecipient needs.

Opportunities

- To improve the state vehicle specifications development process, consider adding a dedicated, in-house vehicle specification specialist in MDOT's Public Transit Division (PTD) or contracting with a third party, such as a state university, to draft vehicle specifications;
- In conjunction with the previous finding, consider establishing a permanent state transit vehicle specifications committee that includes representatives from MDOT's PTD and local transit agencies;
- To collect vendor input on draft vehicle specifications, consider either issuing a Request for Information (RFI) before bid solicitation or conducting vendor specific meetings to review and discuss the draft specifications;
- To reduce the total amount of time necessary to prepare bid packets, consider reducing the total number of individual technical specifications in consultation with local transit agencies or through the use of pre-approved option lists in specifications;
- To strengthen coordination between MDOT divisions responsible for procurement, consider adding a dedicated procurement specialist in PTD to manage and evaluate federal requirements;
- To provide MDOT and subrecipients with information on current specifications, the procurement process, and vehicle contracts, consider improving online and print communications including a standard operations manual and procurement schedule; and
- To ensure that procurement language is consistent with FTA requirements, consider establishing regular reviews of language in bid solicitation and contract documents.

Chief among the opportunities to improve the transit vehicle procurement process are three strategic areas that contain multiple actions and decision points. The report's key recommendations and actions, including planning level implementation cost estimates, are:

- **Recommendation #1: Strengthen procurement coordination** by adding a dedicated procurement specialist to the MDOT Public Transit Division who is responsible for both internal and external coordination of the procurement process.

Implementation Cost:

- Projected salary: \$45,000 - \$60,000
- Salary plus benefits (2.5 multiplier): \$112,500 - \$150,000

- **Recommendation #2: Streamline specifications development** by evaluating different options for developing specifications based on a careful evaluation of available resources and potential commitments from other agencies. Three common mechanisms include:

A. Interagency specifications development committee

Implementation Cost:

- None: Internal process change

B. Statewide transit provider specifications development committee

Implementation Cost:

- None: Internal process change

C. Third party contract

Implementation Cost:

- Depending on the level of involvement of the third party, a standard contract would be written for 5 years or \$300,000 - \$500,000.
- Annual Estimated Cost: \$60,000 - \$100,000

- **Recommendation #3: Enhance the bid structure** by including a full range of vehicle options in a bid packet's specifications and including the option to select multiple vendors.

Implementation Cost:

- None: Internal process change

The recommendations and actions reflect best practices nationally and among peer states, but most importantly, build on the specific strengths and opportunities identified in MDOT's existing procurement process. It is, again, important to emphasize that MDOT's current transit vehicle procurement processes and timeframes compare favorably with national best practices and other state DOT practices. The recommended changes represent steps that can be implemented relatively quickly and can solidify the long-term effectiveness of the transit vehicle procurement process in Mississippi.

1.0 Introduction

This study focuses on the processes applied by the Mississippi Department of Transportation (MDOT) to procure transit vehicles funded through Federal Transit Administration (FTA) grant programs. The successful delivery of public transportation services requires a high-quality passenger experience in a cost-efficient manner, and is impacted significantly by the effectiveness of the vehicle procurement processes in acquiring quality vehicles at competitive costs. As such, vehicle procurement is a critical component in the delivery of public transportation services. Furthermore, the acquisition of transit vehicles using funds from FTA grant programs is accompanied by many federal requirements and restrictions. As in all states, these federal requirements must be balanced against state procurement regulations creating a complex process.

The following report documents the study's finding and recommendations, including an overview of the existing literature on transit vehicle procurement; existing federal procurement requirements and Mississippi state procedures; and national and state best practices. Based on the key findings, the report identifies a series of recommended improvements to the existing transit vehicle procurement process at MDOT.

2.0 Literature Review

The literature review considered the type of procurement models being used by state departments of transportation (DOTs) to acquire transit vehicles, the steps taken to meet federal procurement requirements, and the existing processes used for preparing vehicle specifications.

Types of Procurement Processes

As discussed by Macek and Baker (2007), there are five major ways in which states procure vehicles using FTA grant funds. While Macek and Baker focused their study on vehicle procurement using Section 5310 funds, these same procurement processes also apply to the acquisition of vehicles using other federal funds. Each of the five procurement processes, including illustrated examples of the steps entailed and responsibilities for participants, is detailed below.

Under a “Centralized ‘Turn-Key’ State Procurement Process”, the state has complete responsibility for vehicle purchases (**Figure 2-1**). After notifying the subrecipient of funding, the state controls the procurement process, including conducting any required federal audits or vehicle inspections.

FIGURE 2-1. CENTRALIZED ‘TURN-KEY’ STATE PROCUREMENT PROCESS

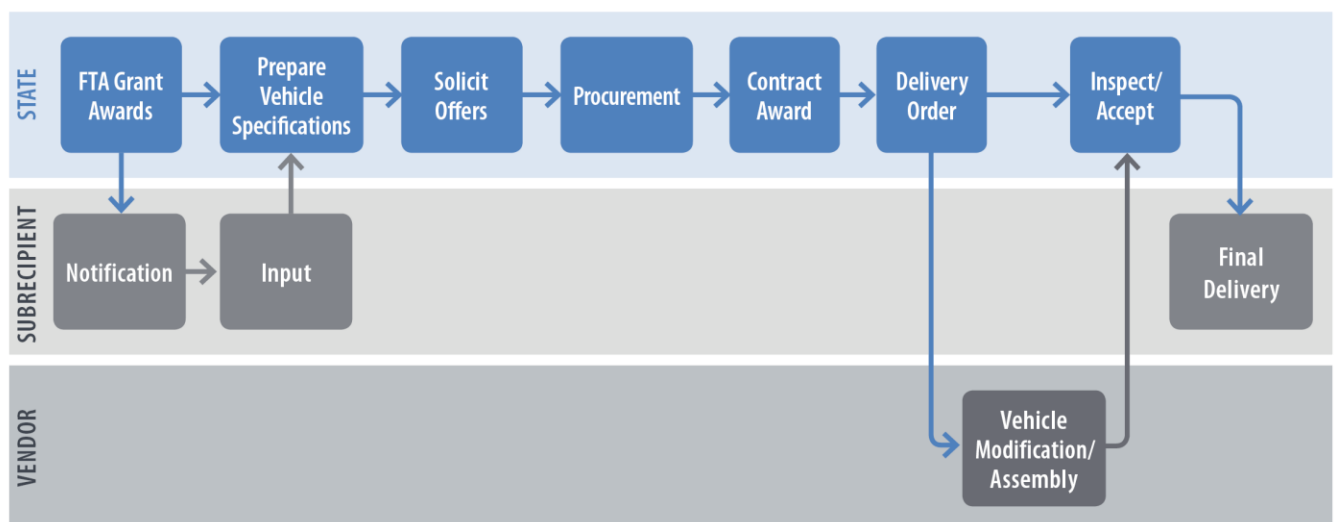
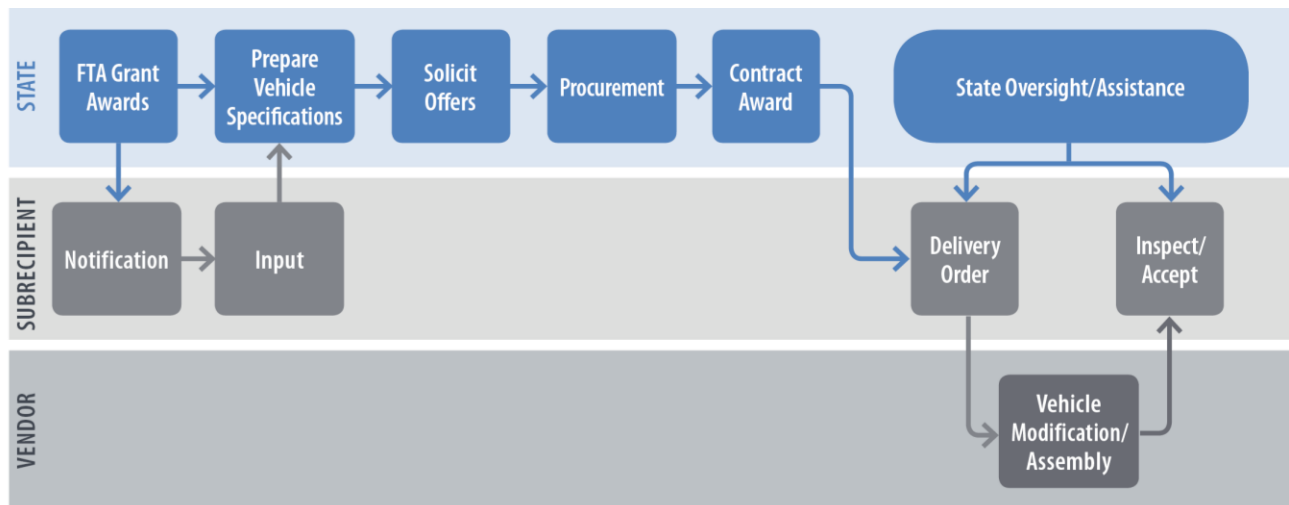


Figure 2-2 illustrates the second type of procurement process or “Central State-Procured Contract” process. The process is nearly identical to the ‘Turn-Key’ process with the state retaining responsibility for the procurement process. However, after the subrecipient purchases a vehicle off a central state-procured vehicle contract, they are responsible for inspecting the vehicle on delivery.

FIGURE 2-2. CENTRAL STATE-PROCURED CONTRACT



Under a “Decentralized Third-Party” or “Consortium Procurement Process”, as shown in **Figure 2-3**, two or more subrecipients form a procurement consortium to purchase vehicles. Under this process, the state DOT designates a lead agency to conduct the procurement on behalf of some or all subrecipients in the state. The lead agency procures vehicles on behalf of the subrecipients. Responsibility for federal compliance varies, but typically the pre-award audit is the responsibility of the procuring entity and the post-delivery audit is the responsibility of the agencies that ultimately purchase each vehicle.

FIGURE 2-3. DECENTRALIZED THIRD-PARTY/CONSORTIUM PROCUREMENT PROCESS

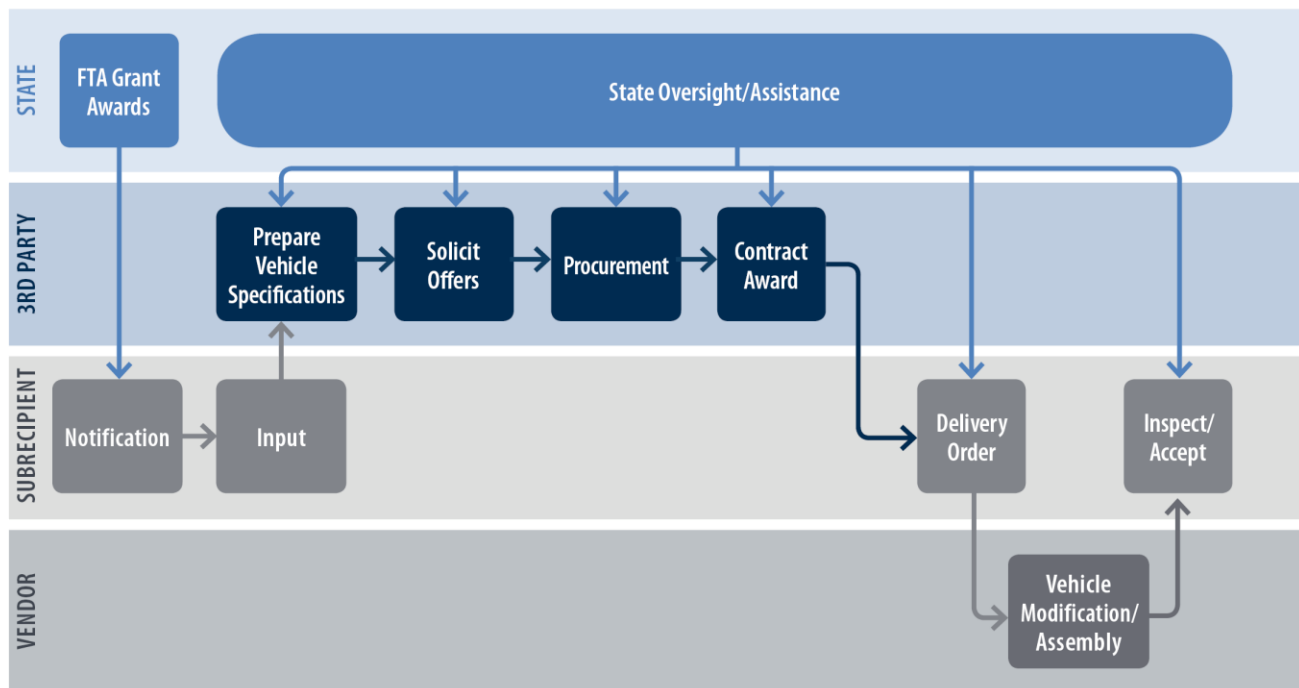
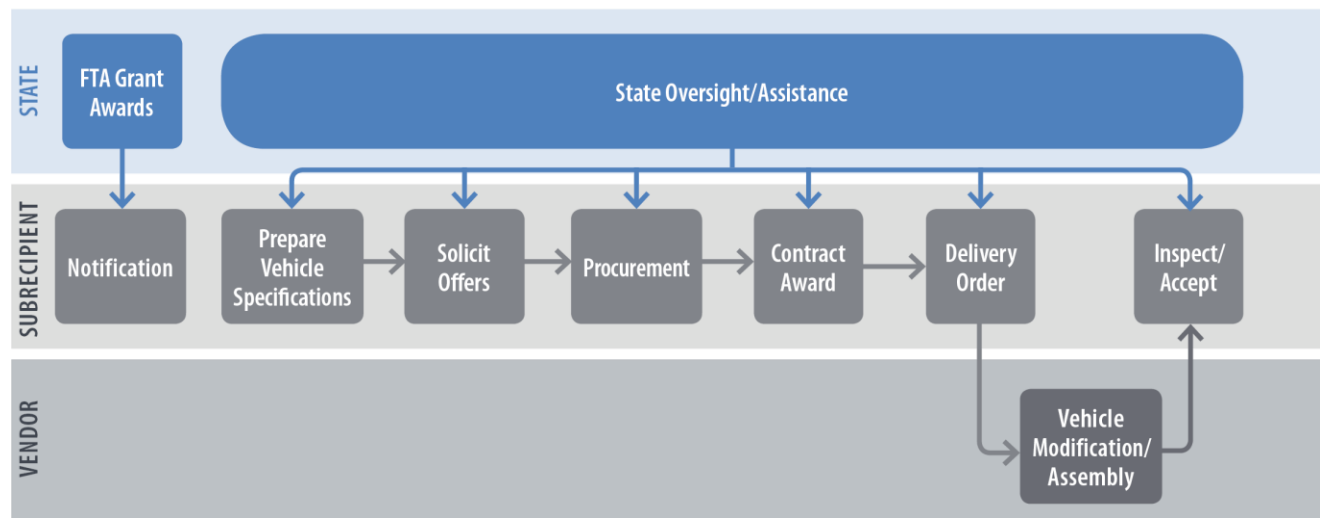


Figure 2-4 illustrates the fourth type of procurement process, the “Decentralized Independent Procurement Process”, which allows subrecipients to use their own procurement process with guidance from the state DOT. All steps in the procurement process would be conducted by the subrecipient.

Finally, many states allow for a “Dual Process,” where subrecipients have the option to purchase vehicles through a centrally procured state vehicle contract or conduct their own decentralized procurement process.

FIGURE 2- 4. DECENTRALIZED INDEPENDENT PROCUREMENT PROCESS



Each type of procurement process presents its own advantages and disadvantages, and each process may not be suitable for every state. Hsu and Baker (2016) surveyed state DOTs to identify recommended practices for state purchasing of public transportation vehicles. A summary of their findings for and against the different types of procurement processes is provided in **Table 2-1**. Overall, respondents found that a centralized procurement practice allowed for more state control over federal procurement regulations and provided better pricing and purchasing power. However, state control also results in more responsibility for the state DOT to ensure federal regulations are followed. A state-controlled process may also limit the ability of the state to meet the many needs of the various transit providers purchasing through the state.

TABLE 2-1. STATE PROCUREMENT PROCESSES ADVANTAGES AND DISADVANTAGES

	State DOT Contracting and Procurement	Direct Purchasing by Subrecipients	Multi-Agency Consortia or Cooperative Purchasing
Advantages	Control over compliance with state and federal regulations.	Flexibility for subrecipients when state contract does not meet their needs.	Streamlines the procurement process.
	Better pricing and purchasing power.	Reduces administrative burdens on the state.	Central control of compliance with state and federal regulations.
	Reduces collective administrative, oversight, maintenance, and procurement burdens.	Statutory restrictions on state activities.	Some pricing advantage, and quality considerations from more direct after-sale assistance.
	Economies of scale and efficiency.	Large, sophisticated transit agencies who are capable of purchasing on their own, and quality considerations from more direct after-sale assistance.	Some flexibility for subrecipients when state contract does not meet their needs.
Disadvantages	Responsibility for compliance with state and federal regulations.	A reluctance to take responsibility for the vehicles.	Less control of compliance with state and federal regulations than direct state approach.
	A ‘one-size-fits-all’ approach may not meet subrecipient needs.	Difficult to predict the number of vehicles required.	Convincing systems not to infringe on piggybacking restrictions.
	Coordinating with other state agencies (where procurement is not carried out by transit).	Compliance with state and federal regulations.	Proving participating agencies are party to the contract.
	Buy America provisions.	Maintaining adequate documentation.	
	Internal state resource limitations, e.g., staff.	Financial limitations.	
		Increased monitoring burden.	
		Buy America provisions.	

(Hsu & Baker, 2016)

Furthermore, the impact of federal procurement requirements, such as the “Buy America” audit requirements, places a significant burden on states that have internal staff limitations, especially in terms of the time and expertise required for transit vehicle inspections. By providing a central state procurement contract, many grant subrecipients that do not have the expertise to conduct these inspections or navigate through the many other federal procurement requirements are “shielded from the intricacies of compliance” (Macek, Baker, Stevens, and Rochon, 2007).

Hsu and Baker also surveyed state DOTs on recommended best practices for the public transportation vehicle procurement process. **Table 2-2** summarizes the best practices that were recommended. Best practices for centralized state procurement included allowing for price escalation requirements, limiting contracts to two years, and allowing for feedback by stakeholders, subrecipients, and vendors through regional meetings and vehicle fairs or workshops. Respondents also recommended allowing for the selection of several vendors and multiple vehicles and add-on lists in the solicitation.

Vehicle Specifications

A critical component in the procurement process is the development of vehicle specifications. The process requires detailed knowledge of both the transit vehicle industry and the requirements of various levels of transit providers. As documented in multiple FTA studies – including *Non-Rail Vehicle Market Viability Study* (2005), *Evaluation of the Market for Small-to-Medium-Sized Cutaway Buses* (2007), and *Evaluation and Documentation of the Use of Incentives and Disincentives Regarding the Procurement of Standardized Transit Buses* (2009), most public transit agencies do not follow uniform transit bus standards.

The American Public Transportation Association (APTA), FTA, transit bus manufacturers, suppliers, and public transit agencies formed the APTA Standard Bus Procurement Guidelines (SBPG) Steering Committee in 2007 with the intent of providing technical and commercial standards to guide agencies through the process of procuring transit buses. Hidalgo and DeVries (2009) found that most public transit agencies see the SBPG as a basic guideline that agencies can use as a starting point for specification development. However, agencies also cautioned that the recommendations provided through the SBPG are very limited and fail to keep up-to-date with technology advancements in the vehicle industry.

In reviewing Michigan DOT's procurement and vehicle specification development process compared to peer agencies, Winsor, Neufang, Meyer, and Bassett (2014) found that most agencies develop new specifications every two to three years. This specification development process can be completed in as short as a month or take up to one year. Most states reach out to a variety of stakeholders to provide input into the specification development process. The list of stakeholders includes transit agency staff, private consultants, university researchers, transit association staff, vendors, and others. While some states, such as Pennsylvania and Wisconsin, develop their specifications in-house, many other states convene technical committees to gather input to develop specifications.

In summary, studies have found that state public transportation vehicle procurement practices range from being “highly centralized” to “highly decentralized.” As procurement requirements differ between states, there is not an established ‘one-size-fits-all’ approach for procuring transit vehicles. Furthermore, while the level of involvement for state DOTs in the procurement process varies, most states find it easier to comply with federal requirements in the procurement process, rather than rely on subrecipients to ensure compliance. Finally, states are increasingly reaching out to transit agencies and various stakeholders to develop vehicle specifications and address local needs.

TABLE 2-2. SUGGESTED BEST PRACTICES

	State DOT Contracting and Procurement	Direct Purchasing by Subrecipients	Multi-Agency Consortia or Cooperative Purchasing
Suggested Best Practices	Price escalation requirements include documented increases in chassis cost plus Purchasing Price Index rise across various eligible components.	Grantees required to provide all federal and state required documentation before going under contract.	Two-year contract with limited extension option.
	Contracts: <ul style="list-style-type: none"> • Contracts limited to 2 years. • Contracts reviewed every 18 months. • Contracts not to exceed 5 years. 	Two-year contract with limited extension option.	Vendors bid base model price and provide an options list in the RFP – for price adjudication, option pricing is weighted according to the pre-determined, likely utilization rate.
		Using a procurement checklist to ensure all requirements are met.	
		Pre-bid Q&A.	
		Vendors bid base model price and provide an options list in the RFP.	
	Regional meetings with stakeholders/subrecipients/vendors for feedback.		
	Biennial vehicle fairs with workshops and presentations.		
	Pre-bid conferences, mini Q&As.		
	All transit providers required to perform a mini-RFQ to obtain competitive pricing.		
	Multiple vendors and different vehicles and add-on lists in the solicitation.		
	Vendors bid base model price and provide an options list in the RFP.		

(Hsu & Baker, 2016)

3.0 Existing Procurement Processes

Organized around a common set of steps, existing procurement processes and requirements at the federal and state levels reinforce one another. The following sections outline the FTA and Mississippi processes and requirements, including details on how the two intersect.

3.1 Federal Procurement Requirements

The review of federal procurement requirements centered on the *FTA Circular 4220.1F*, the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Super Circular), and FTA's *Best Practices Procurement and Lessons Learned Manual* (BPPLLM) dated October 2016. The BPPLLM recommends a four-step procurement process that consists of a planning process, a solicitation of offers, procurement phase, and contract award and inspection stage. Each step is described in greater detail below. FTA found that the top procurement deficiencies from fiscal year (FY) 2010 to FY 2014 were the absence of independent cost estimates, lack of required federal clauses in bid and contract documents, and missing cost or price analysis (**Table 3-1**).

TABLE 3-1. FTA TOP TEN PROCUREMENT DEFICIENCIES NATIONALLY (FY 2010-14)

1	Independent Cost Estimates
2	Required Federal Clauses
3	Cost or Price Analysis
4	Award to Responsible Contractors
5	Procurement Policies and Procedures
6	Cost Analysis Required [Sole Source]
7	Written Record of Procurement History
8	Sound and Complete Agreement
9	Sole Source if Other Award is Infeasible
10	Contract Administration System

Planning Process

FTA identifies the planning process as including the identification of needs, documentation of the necessity to make a purchase, and preparation of vehicle specifications. The FTA strongly recommends a detailed formal planning process, noting that without it agencies will likely fail to achieve purchases that best meet their needs in a cost-effective manner.

Often, the identification of needs is the sole responsibility of the transit agency. As such, subrecipients are required to establish procedures to avoid the purchase of unnecessary equipment. It is beneficial for states that oversee procurement through a centralized process to create mechanisms to identify and document the need for transit vehicle purchases. The FTA recommends that transit agencies provide input, or at least provide an advisory role, into preparing specifications as these entities often have the best understanding of vehicle requirements.

A final component of the planning process is a required cost/price analysis. The price analysis looks at the supplier's price in comparison to other market prices. Cost analysis breaks down the total price into its components, looking at the supplier's costs to determine the profit margin contained in that price.

Solicit Offers

The second step in the FTA procurement cycle is the responsibility of the procuring agency. The solicitation of offers typically consists of an Invitation for Bids (IFB) or Request for Proposals (RFP). The FTA requires that the bid packet identifies the contract period and provide a written procurement selection criteria that indicates how bids or proposals will be evaluated. There are numerous policies and procedures that are to be addressed in the bid packets for agencies conducting an FTA procurement process. The BPPLM has suggested language for each of these clauses, and some of the items even have mandatory language. Finally, bids must meet specified advertising requirements for number of vendors solicited and allow for sufficient bid time.

Procurement

The lead procurement agency oversees the technical evaluation of offers to ensure that they are consistent with the previously defined evaluation criteria. The FTA notes that often this may mean transit agencies evaluate proposals and assess the ability of the vendor to perform the contract successfully. Bids must include a responsiveness check when there are two or more responsible bidders. Agencies also must ensure they are conducting a pre-award “Buy America” review or obtain a waiver. Adequate documentation of the relative strengths, deficiencies, weaknesses, and risks of the various proposals is crucial during this phase of the process.

Contract Award/Inspection

The lead procuring agency should continue to play a role in the administration of the contracts, even after award. The acceptance of vehicles and payment approvals should always be fully reviewed and approved by the procuring agency. Finally, agencies must ensure they are conducting a post-award “Buy America” audit. An important consideration in every step of the procurement process is the requirement for agencies to maintain and make available records detailing the history of each procurement.

3.2 Mississippi Procurement Processes

Transit agencies in Mississippi purchase vehicles using a contract that results from the centralized state procurement process undertaken by MDOT’s Public Transit Division, Asset Management Division, Procurement Division, and MDFA. The information is based on the *MDFA Procurement Manual for the Office of Purchasing, Travel and Fleet Management* (February 2016) and discussions with the applicable MDOT divisions. A graphical representation of the MDOT procurement process is provided in **Figure 3-1**. The state led process is intended to make the process more efficient and cost-effective for local transit agencies by developing transit vehicle specifications for the entire state and completing the bidding and vendor selection process. The total approximate time to complete the procurement process is 15 months, based on one technical specification and minimum delays between steps.

Planning Process

MDOT PTD requires all transit providers to manage vehicle fleets through the Capital Acquisition/Asset Management Program (CAAMP). While the CAAMP is designed to provide a formal mechanism to better plan and manage the acquisition and replacement of capital equipment, it also provides the required documentation demonstrating the need for vehicle purchases.

MDOT’s PTD develops vehicle specifications for use in state procurement contracts for buses and vans in conjunction with the Asset Management Division, which is responsible for ensuring that the specifications meet state requirements. In preparing vehicle specifications, the PTD has periodically convened a specifications committee to assist. The specifications committee is comprised of PTD staff as well as transit agency staff and fleet managers who are interested in participating. After the

specifications are finalized, bids are solicited by MDOT with final approval by MDFA's Public Procurement Review Board (PPRB) and the Mississippi Transportation Commission.

Solicit Offers

The existing solicitation of offers is conducted as an IFB. The IFB bid packets include the proposed purchase terms, conditions, technical specifications, and bid advertisements, as well as variations of the actual FTA clause language or references them. Bid requests are advertised in at least one newspaper with general daily circulation in the state once a week for two consecutive weeks. The bid advertisement is also sent to the Mississippi Development Authority's Mississippi Procurement Technical Assistance Program (MPTAP) for inclusion in their full list of bids. Bid requests are also mailed directly to potential bidders nationwide.

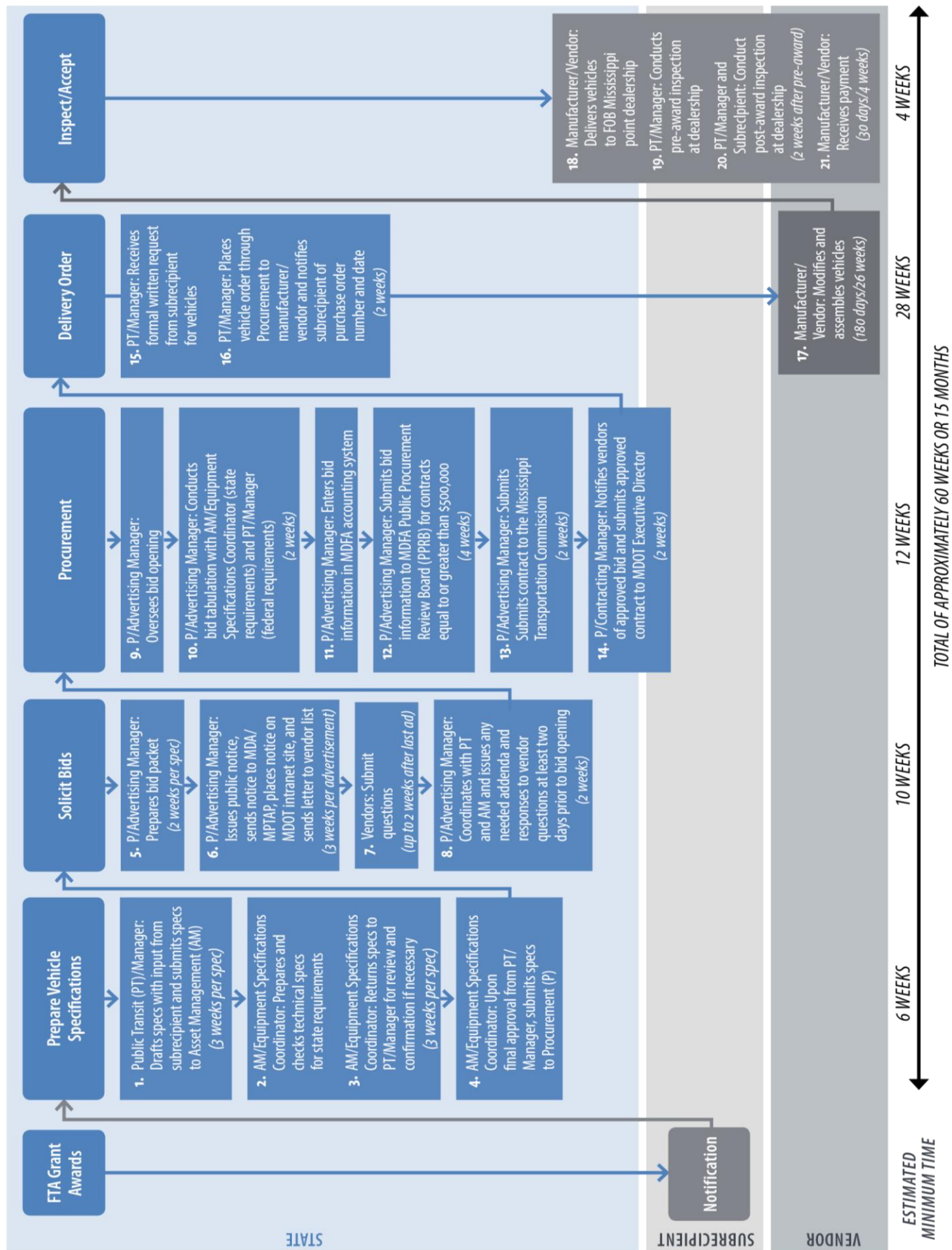
Procurement

The procurement begins with the bid opening, and after tabulation, requires review by MDFA's PPRB and the Mississippi Transportation Commission before submittal to MDOT's Executive Director. Contracts equal to or greater than \$500,000 in value must be submitted to the PPRB. In total, the procurement phase can take 12 weeks to complete if submission deadlines for PPRB review and the Mississippi Transportation Commission align closely with the bid opening and bid tabulation.

Delivery Order/Inspection

After the contract has been approved, subrecipients may submit a formal request to purchase vehicles. The MDOT PTD manager places the order through the Procurement Division, and once the vendor receives the purchase order, they have 180 days to deliver the vehicles. Pre-award inspection is led by PTD, and the post-award inspection by PTD and the subrecipient.

FIGURE 3-1. MDOT EXISTING TRANSIT VEHICLE PROCUREMENT PROCESS



4.0 Best Practices

Best practices for transit vehicle procurement can be gleaned from national organizations and peer state DOTs. A review of best practices from APTA and the National Rural Transit Assistance Program (RTAP) is included below, followed by survey results from selected peer states.

4.1 National Guidance

Many best practice documents provided by national public transportation organizations provide an overview of the basic steps in the procurement process. For example, APTA and RTAP both provide procurement overviews which highlight major steps (**Table 4-1**). Both guidelines largely mirror the process outlined in the FTA BPPLLM.

TABLE 4-1. COMPARISON OF NATIONAL ORGANIZATION PROCUREMENT STEPS

American Public Transportation Association (APTA)	National Rural Transit Assistance Program (RTAP)
1. Identify and explore the need	1. Define the kind of vehicle your system needs
2. Evaluate options and establish need for procurement	2. Learn what is available on the market
3. Select procurement method	3. Write specifications that accurately describe your requirements
4. Develop final solicitation	4. Announce your Invitation for Bids
5. Execute solicitation	5. Develop a Quality Assurance checklist
6. Contract administration	

As noted previously, APTA develops standard bus vehicle procurement guidelines for agencies. Generally, APTA recommends that agencies use an RFP process because the RFP process typically generates more competitive prices and better performance outcomes. APTA notes that the IFB process takes less time than an RFP and is useful for straightforward purchases of standard items or ones with well-defined specifications. However, since the IFB process requires selection decisions to be made on price and price-related factors, APTA believes the IFB process is ill-suited for procurements where there is likely to be significant variations among offers. If, for example, one bus manufacturer offers to deliver buses considerably earlier than another and that earlier date is advantageous to the procuring agency, it would be detrimental to the agency to rely on price alone in selecting the contractor.

RTAP also offers a free procurement web-based application, ProcurementPRO, that can guide state DOTs and local transit agencies through FTA procurement procedures. Using basic project information entered by the user, the program provides the required federal clauses and certifications that must be included in procurement documents. In addition to the federal clauses and certifications, the program provides checklists and guidance. The tool allows agencies to procure vehicles using multiple funding sources and build the portal to include state or local-specific purchasing guidelines.

Generally, the guidance provided by the national public transportation organizations highlights the overall procurement steps. However, while these procurement steps do not change, each state has their own internal processes and needs that require adjustments to “sub-steps” within the procurement process.

4.2 Other State Procurement Practices

Based on findings from the analysis of MDOT's vehicle specification and procurement process, a peer state review was conducted to determine ways MDOT can improve its processes. The objective of the state survey was to collect relevant data and identify both common processes and best practices that MDOT may want to consider. Since each state DOT has a unique procurement approach, it is important to note that while a program works well for one state DOT, not every initiative would be a "best fit" for MDOT or another DOT. State DOTs in Iowa, Michigan, Minnesota, North Carolina, and Ohio provided responses to the survey, summarized in **Table 4-2**. Surveys were also sent to Florida, New Mexico, Pennsylvania, South Carolina, and Wisconsin, but not completed.

Roles and Relationships

For all survey respondents, the state DOT division overseeing public transportation was charged with administering the procurement process. In Minnesota, the Department of Administration also provides support for procurement. To ensure federal requirements, such as "Buy America" provisions, are met, all respondents indicated a procurement specialist or vehicle analyst monitors compliance.

State DOTs vary in requiring capital improvement plans to demonstrate need before purchasing vehicles off the state contract. For example, nearly all the transit vehicles purchased in Iowa are for replacement of vehicles past their useful life so no demonstration of need is required. However, Ohio and North Carolina require subrecipients to submit a capital improvement plan or justify the purchase request in the grant application based on current demand.

Specifications

While each state DOT approaches the development of vehicle specifications differently, there are common themes among the approaches. Most respondents indicated that a procurement specialist or vehicle analyst oversees developing vehicle specifications. Additionally, four of the five respondents indicated assistance is provided through a statewide committee or series of regional meetings for further input. While many agencies allow vendors to provide input into the vehicle specifications, Iowa cautioned against providing too much opportunity for vendors to develop specifications that might limit competition.

The most common approach to initiating a specification update is before a new bid is released, building on the previous contract's specifications. Iowa indicated that they used APTA SPBG and Community Transportation Association of America (CTAA) base specifications and alter them as required by the needs of the transit systems. Typically, sources of information on vehicle specifications are derived through industry publications, trade conferences and vehicle fairs, and through the vendors. With more multi-year contracts being awarded, the update of vehicle specifications is happening less often. For most agencies, specifications are updated on an average of three to five years, or prior to releasing a new bid.

Methods of Solicitation and Selection

Four out of five respondents indicated that they use an IFB as the procurement method. Three of the five respondents indicated that they held a pre-bid conference. They also indicated that these conferences were valuable information tools for prospective bidders, and lessened the need for further clarification during the bid process. The typical procurement process takes approximately four to six months for most respondents to complete, although Michigan indicated their process can take up to one year.

TABLE 4-2. STATES SURVEY COMPARISON

Criteria	Iowa	Michigan	Minnesota	North Carolina	Ohio
Roles and Relationships					
FTA Programs Administered	7	n/a	4 (Capital Only)	9	6
Employees	7	n/a	32	24	12 + 6 FTE Consultants
Lead Agency	Iowa DOT - Public Transit	Michigan DOT	Minnesota DOT - Office of Transit & Dept. of Administration - Materials Management Division	North Carolina DOT - Public Transportation Division	Ohio DOT - Office of Transit
Required Capital Improvement Plan	No	n/a	Yes	No	Yes
Specifications					
Specifications Responsibility	Transit Division / Procurement Specialist	Vehicle Analyst & Vehicle Equipment and Advisory Team	Procurement Coordinator & Specifications Committee	Procurement Specialist	Transit Division & Regional "Vehicle Input Meetings"
Vendor Input	No	Yes	Yes	Yes	Review Comments Only
Specification Updates	3-4 years	n/a	3-4 months prior to releasing a new bid	Every 5 years	Annually on contract review
Methods of Solicitation and Selection					
Purchase Type	IFB	RFP	IFB	IFB	IFB
Length of Process	3-4 months	Up to 12 months	5-6 months	4 months	6 months
Pre-Bid Conference?	No	Yes	Yes	No	Yes
Contract Award					
Buy America inspection requirements	Procurement Specialist at Iowa DOT - Office of Public Transit	Vehicle Analyst at Michigan DOT	Minnesota DOT - Office of Transit	North Carolina DOT - Public Transportation Division	Ohio DOT - Office of Transit

Contract Award

Vendor compliance certification is the most common method for ensuring that vehicle specifications are being met in a proposal. Most states require that bidders submit detailed equipment lists and note compliance with each item specified in the bid submission. Minnesota, for example, indicated that they have over fifty pages of required responses by the vendor that must be completed for the bid to be responsive. Once a bid has been reviewed to meet specifications, survey respondents indicated that the FTA guidelines and BPPLLM were the most appropriate and helpful documents to follow for contract award.

Many states also reported that since states are not limited to selecting a single vendor it is preferable to award contracts to multiple vendors. This allows each agency to address unique vehicle needs. Minnesota has found that the multiple award process has increased the quality of the vehicles, limited price increases, and encouraged the vendors and manufacturers to provide greater support for their products after purchase and delivery.

5.0 Recommendations

The study's first three tasks highlight both the strengths of MDOT's existing transit vehicle procurement process and opportunities to refine certain procurement practices that will minimize the amount of time required to procure transit vehicles within Mississippi's current policy framework. The strengths and opportunities include:

Strengths

- State led procurement processes, such as MDOT's, are typically more efficient and cost-effective than subrecipient led procurement;
- MDOT's transit procurement processes are consistent with FTA required and recommended best practices;
- While specifications development takes approximately six weeks at MDOT for each technical specification, the total number of technical specifications to be developed – in some instances ten or more, can require an extensive period of time;
- MDOT's current contract maximum vehicle delivery timeframe of 180 days is within the generally accepted industry range of 4 - 6 months, although there may be smaller opportunities to reduce the amount of order and delivery time;
- The MDOT selection process, including the solicitation of bids and procurement, averages approximately six months, comparable to peer states but at the high end of the range; and
- MDOT's current 5-year, vehicle procurement contract length (2 years with one-year renewable options) is consistent with industry best practices, maximizing the time and effort invested in the procurement process while remaining current with subrecipient needs.

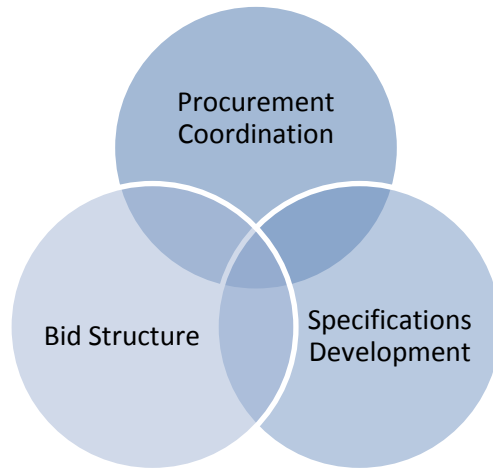
Opportunities

- To improve the state vehicle specifications development process, consider adding a dedicated, in-house vehicle specification specialist in MDOT's Public Transit Division (PTD) or contracting with a third party, such as a state university, to draft vehicle specifications;
- In conjunction with the previous finding, consider establishing a permanent state transit vehicle specifications committee that includes representatives from MDOT's public transit division and local transit agencies;
- To collect vendor input on draft vehicle specifications, consider either issuing a Request for Information (RFI) before bid solicitation or conducting vendor specific meeting to review and discuss the draft specifications;
- To reduce the total amount of time necessary to prepare bid packets, consider reducing the total number of individual technical specifications in consultation with local transit agencies or through the use of pre-approved option lists in specifications;
- To strengthen coordination between MDOT divisions responsible for procurement, consider adding a dedicated procurement specialist in PTD to manage and evaluate federal requirements;
- To provide MDOT and subrecipients with information on current specifications, the procurement process, and vehicle contracts, consider improving online and print communications including a standard operations manual and procurement schedule; and
- To ensure that procurement language is consistent with FTA requirements, consider establishing regular reviews of language in bid solicitation and contract documents.

It is important to emphasize that MDOT's current transit vehicle procurement processes and timeframes compare favorably with national best practices and other state DOT practices. Recommendations to refine the vehicle procurement process center on three interrelated and strategic areas (Figure 5-1) that can help improve individual steps and create additional options for subrecipients:

- Strengthen procurement coordination;
- Streamline specifications development; and
- Enhance the bid structure.

FIGURE 5-1. STRATEGIC AREAS FOR IMPROVING THE PROCUREMENT PROCESS



5.1 Recommendation #1: Strengthen Procurement Coordination

The first recommendation focuses on strengthening overall coordination by adding a dedicated procurement specialist in MDOT's Public Transit Division. Currently, the transit vehicle procurement process in Mississippi works well because of the individual strengths of each MDOT division involved in the process – Public Transit, Asset Management, and Procurement, as well as ongoing regional coordination between MDOT and local transit agencies. There are, nevertheless, opportunities to strengthen internal coordination across MDOT divisions and ensure that the entire process, from grant application to vehicle delivery, is managed seamlessly and strategically. There are also opportunities to collaborate more closely and efficiently with local transit providers.

Internal Coordination

The dedicated procurement specialist would serve as the subject matter expert and primary person responsible for the transit vehicle procurement process at MDOT. Within the department, the procurement specialist's responsibilities would include:

- Establish and manage an annual and multi-year calendar of transit vehicle procurement tasks, review cycles, and deadlines in collaboration with MDOT's Public Transit, Asset Management; and Procurement divisions staff;
- Coordinate and manage vehicle specification preparation, bid solicitation, and procurement in conjunction with MDOT Asset Management and Procurement division staff; and
- Establish regular reviews of language in bid solicitation and contract documents for compliance with FTA requirements.

External Coordination

Similarly, the dedicated specialist would be the principal external point of contact and information source for local transit agencies in the procurement process. External coordination responsibilities would include:

- Develop and maintain a standard operating manual for transit vehicle procurement, including a general procurement schedule, and online and print communications for local transit providers;

- Establish and manage a means for developing vehicle specifications with local transit providers, and incorporating vendor input; and
- Collect regular feedback from local transit providers on the transit vehicle procurement process either through annual conferences, surveys, and/or regional coordination planning groups.

From the survey of peer states, Iowa, North Carolina, and Minnesota are all states that have a dedicated procurement specialist or coordinator in their public transit office and division. While the specific set of responsibilities varies across agencies, for example, the North Carolina DOT procurement specialist is primarily responsible for specifications development while Iowa relies more on local transit providers, they are all responsible for and actively manage the entire transit vehicle procurement process.

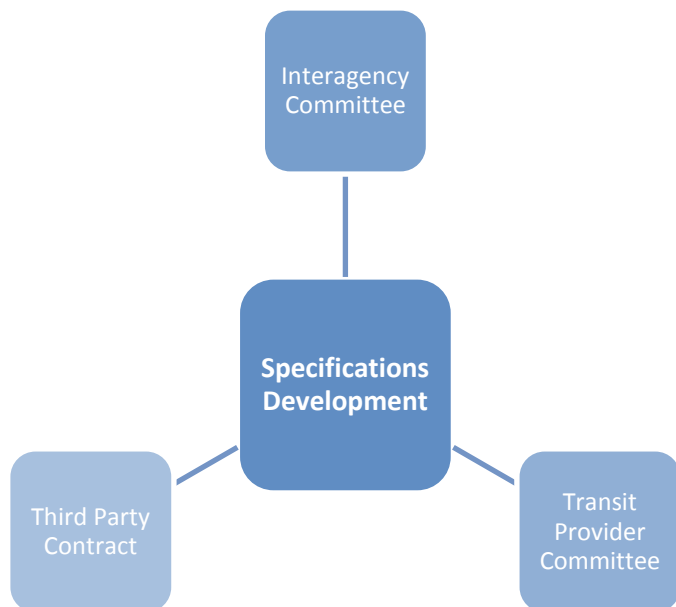
5.2 Recommendation #2: Streamline Specifications Development

Streamlining the specifications development process will ensure that vehicle specifications are prepared efficiently and effectively. The first step in the overall procurement process, specifications development should be a routine and regular function and not place undue demands on MDOT staff, transit providers, or vendors. At MDOT, the responsibility for vehicle specifications development currently rests with a Public Transit Division manager, who is also responsible for coordinating with subrecipients on vehicle specification needs through vehicle delivery. While efforts have been made and are planned to convene an interagency specifications development committee, past attempts have been mostly informal and sporadic.

In conjunction with the prior recommendation, it is recommended that MDOT evaluate different options for developing specifications based on a careful evaluation of available resources and potential commitments from other agencies. While there are many ways to develop vehicle specifications, three common mechanisms (Figure 5-2) are described below:

- Interagency specifications development committee;
- Statewide transit provider specifications development committee; and
- Third party contract.

FIGURE 5-2. OPTIONS FOR DEVELOPING SPECIFICATIONS



Interagency Committee

Interagency technical committees are the most common mechanism for developing transit vehicle specifications. Practically speaking, an interagency technical committee retains the centralized state procurement model by assigning the primary responsibility for convening and managing the committee to the DOT staff. As noted earlier, in addition to the DOT, the technical committee could include transit agency staff, private consultants, university researchers, transit association staff, and, in some instances, vendors.

While the reasons for organizing an interagency specifications committee vary among state departments of transportation, in general, forming, convening, and managing a committee requires a specific commitment of resources by both the sponsoring and participating agencies. States with larger DOT transit staff and larger public transit providers, for example, Minnesota and Ohio from the peer survey, are in a better position to have success under this option. Conversely, states with more limited resources among the DOT and local transit agencies will have to build more flexibility into the process and likely utilize existing meeting and conference schedules.

Transit Provider Committee

In contrast to a state led interagency committee, some states rely on a transit provider-based committee. Organized initially with the assistance from the DOT and state public transportation association, the committee is ultimately led and managed by transit provider representatives with membership drawn from agencies across the state. The committee's primary function is to draft specifications and provide them to the DOT as part of the statewide procurement process.

For a centralized state procurement process, like Mississippi's and many other DOTs, the transit provider committee approach integrates some of the advantages of a decentralized third party or consortium procurement process. By designating a statewide committee, the DOT introduces a degree of local agency flexibility into the procurement process and spreads the responsibility across a larger group of providers. Tennessee and Ohio are two states that utilize a transit provider committee to develop specifications. After the committee prepares and submits the specifications, the state DOTs and departments of finance and administration review the specifications for federal and state requirements.

Third Party Contract

If neither of the committee structures are effective options – and resources are available, an additional mechanism for specifications development is contracting with a third party such as a university or consultant. Beyond cost, important considerations include the availability of third party staff expertise, the time required to establish a contractual relationship, and the effort to manage the contract on a regular basis. All three of these considerations should rate favorably compared to the two committee structures before the DOT elects to pursue a third-party option. Examples of both university and consultant-based third-party contracts include the Florida DOT's partnership with the University of South Florida and Ohio with a private consultant.

5.3 Recommendation #3: Enhance the Bid Structure

While the focus of this study has been on minimizing the time required to purchase and deliver vehicles to local transit providers, there are also opportunities to make the procurement process more responsive to local needs. Closely complementing the second recommendation, best practices underscore the importance of including a full range of vehicle options in a bid packet's specifications and including the option to select multiple vendors. Experience shows that incorporating these two features in the procurement process helps build stronger provider vendor relationships while offering additional flexibility to local transit agencies.

Vehicle Options

Although the purpose of an IFB procurement process is to identify the lowest cost qualified vendor for a relatively standard product, IFB contracts can still provide options that expand the choices available to different buyers. For transit vehicles, many states award contracts for a base model and allow vendors to include options that can be purchased and paid for by the local transit provider. Again, introducing greater flexibility and choice in the process benefits transit agencies without deviating from the IFB process or increasing costs to the state DOT.

Incorporating vendor options into the procurement process can also expand vehicle choices without increasing the number of bids advertised. MDOT, for example, currently has five statewide transit vehicle contracts in place, excluding a contract for a trolley vehicle, and allowing vendor options in bids and subsequent contracts would effectively increase available choices while keeping the total number of bid packets the same. All four peer states surveyed that use an IFB procurement process – Iowa, Ohio, North Carolina, and Minnesota, allow vehicle options in bids.

Multiple Vendors

Another key feature of many IFB-based, statewide transit vehicle procurement processes is awarding contracts to multiple vendors for a single vehicle type. All qualified vendors receive contracts under a multiple vendor approach, but any vendor entering into a contract must abide by the low-cost bid for the base vehicle. If vehicle options are permitted, they can vary by vendor. In effect, a multiple vendor approach encourages suppliers to compete not only on cost, but also on the quality of parts and services and possibly options. For many state DOTs, incorporating both vehicle options and multiple vendors into the process are essential for maximizing IFB procurements and moving beyond the common criticism of low-cost bids ignoring value.

5.4 Implementation

Within the existing procurement policy framework in Mississippi, there are a number of opportunities to improve the transit vehicle procurement process and deliver benefits to the local transit providers. Chief among these opportunities are three strategic areas of improvement that contain multiple actions and decision points. The key recommendations and actions, including planning level implementation cost estimates, are:

- **Recommendation #1: Strengthen procurement coordination** by adding a dedicated procurement specialist to the MDOT Public Transit Division who is responsible for both internal and external coordination of the procurement process.

Implementation Cost:

- Projected salary: \$45,000 - \$60,000
- Salary plus benefits (2.5 multiplier): \$112,500 - \$150,000

- **Recommendation #2: Streamline specifications development** by evaluating different options for developing specifications based on a careful evaluation of available resources and potential commitments from other agencies. Three common mechanisms include:
 - A. Interagency specifications development committee

Implementation Cost:

- None: Internal process change

B. Statewide transit provider specifications development committee

Implementation Cost:

- None: Internal process change

C. Third party contract

Implementation Cost:

- Depending on the level of involvement of the third party, a standard contract would be written for 5 years or \$300,000 - \$500,000.
- Annual Estimated Cost: \$60,000 - \$100,000

- **Recommendation #3: Enhance the bid structure** by including a full range of vehicle options in a bid packet's specifications and including the option to select multiple vendors.

Implementation Cost:

- None: Internal process change

The recommendations and actions reflect best practices nationally and among peer states, but most importantly, build on the specific strengths and opportunities identified in MDOT's existing procurement process. It is, again, important to emphasize that MDOT's current transit vehicle procurement processes and timeframes compare favorably with national best practices and other state DOT practices. The recommended changes represent steps that can be implemented relatively quickly and can solidify the long-term effectiveness of the transit vehicle procurement process in Mississippi.

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Appendix A: Mississippi Procurement Manual Review Summary

MEMO



EXPERIENCE | Transportation

To: Mike Sullivan
From: Zach Balassone, TranSystems
Date: December 2, 2016
Re: Mississippi Procurement Manual Compliance Review

Staff performed a compliance review of the Mississippi Procurement Manual (MDFA, Office of Purchasing, Travel and Fleet Management, February 2016).

The review of MDFA's Mississippi Procurement Manual focused on changes that have been made through the implementation of the two most recent transportation bills (Moving Ahead for Progress in the 21st Century [MAP-21] and Fixing America's Surface Transportation Act [FAST Act]). In addition, staff focused on the FTA Circular 4220.IF, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (a.k.a Super Circular), and the FTA Best Practices Procurement and Lessons Learned Manual (BPPLLM) dated October 2016 to make sure that the Mississippi Procurement Manual is in compliance with FTA regulations.

The Mississippi Procurement Manual was reviewed in a PDF format and all compliance issues are noted by both highlight and comment so that the document will be able to be revised and updated. There are 13 comments noted in the Mississippi Procurement Manual. Below is a summary of the issues identified:

- There are no mentions of FTA procurement requirements in the manual. It might be best to provide the procurement checklists or breakdowns from FTA Circular 4220.IF as an Appendix, or refer to the State Management Plan (additional information would have to be included in the SMP).
- Definitions (Page 4) – several definitions are not included in the procurement manual that are included in Circular 4220.IF and the BPPLLM.
- Definition of "Shall" (Page 6) – The definition states "denotes the imperative". The definition is not helpful and most legal authorities are not using shall in their contracts any longer. The Federal Plain Language Guidelines states that must or may should be used to denote whether something is required or preferred.
- One Proposal Received (Page 17) – Depending on the restrictiveness of the contract, a sole source justification would have to be submitted for FTA's approval.

- Unsolicited Offers (Page 18) – The definition does not include the types of unsolicited offers from FTA Circular 4220.1F.
- Competitive Sealed Bids (Page 20) – The Super Circular has additional conditions to be met for competitive sealed bids.
- Small Purchase Amounts (Page 46) – The Mississippi Procurement Manual has the threshold as \$50,000. The FAST Act has allowed for recipients to raise the small purchase threshold up to \$150,000, but are not required to do so.
- Conditions for Use of Sole-Source/Research Procurements (Page 47) – FTA Circular 4220.1F includes additional circumstances where Sole-Source can be applied. In addition, ALL sole source procurements, must be approved by FTA.
- Retention of Procurement Records (Page 76) – The Common Grant Rules requires the recipient to maintain procurement records for three years after final payment.

If you have any questions, or would like more information on the items above, feel free to contact me by phone at 321-320-5694 or by e-mail at znbalassone@transystems.com.

Appendix B: State Management Plan Review Summary

MEMO



EXPERIENCE | Transportation

To: Mike Sullivan
From: Zach Balassone, TranSystems
Date: November 29, 2016
Re: MDOT SMP Compliance Review

Staff performed a compliance review of the Mississippi Department of Transportation (MDOT) State Management Plan (SMP) for Federal Transit Administration Funded Transportation Programs dated September 2014.

The review of the MDOT SMP focused on changes that have been made through the implementation of the two most recent transportation bills (Moving Ahead for Progress in the 21st Century [MAP-21] and Fixing America's Surface Transportation Act [FAST Act]) as well as updates to the guidance circulars affecting the Section 5310 and Section 5311 grant programs.

The MDOT SMP was reviewed in a PDF format and all compliance issues are noted by both highlight and comment so that the document will be able to be revised and updated. There are 182 comments noted in the SMP. Below is a summary of the issues identified:

- Acronym page update: Add FAST Act and Transit Award Management System (TrAMS); remove TEAM.
- Update Section 5311 title from "Nonurbanized Area Formula Program" to "Formula Grants for Rural Areas Program" (throughout document).
- Update Section 5310 title from "Elderly Individuals and Individuals with Disabilities Program" to "Enhanced Mobility of Seniors and Individuals with Disabilities Program (throughout document).
- Removal of Section 5317 (New Freedom Program) and Section 5316 (Job Access Reverse Commute Program) as they have been incorporated into Section 5310 in MAP-21/FAST Act. For any outstanding Section 5317 and Section 5316 grants, they can continue to operate under the current SMP.
- Most of the FTA Circular references in the document were out of date due to updates to the circulars with the new transportation bills. Some references changed in number and name for

example, Circular 5010.IC Grant Management Guidelines changed to Circular 5010.ID Grant Management Requirements.

- Under the FAST ACT, Section 5311(C)(1) Public Transportation for an Indian Reservation (Tribal Program) was changed to a \$30 million formula program (increased from \$25 million under MAP-21).
- The definitions listed in Circular 5010.ID do not include the definitions for the following items: Administrative Settlement, Acquisition Cost of Project Property and Purchased Equipment, Cash Basis of Accounting, Catalog of Federal Domestic Assistance (CFDA), Economic Useful Life, ECHO, Equipment, Facilities, Fair Market Value, Federally Recognized Indian Tribal Government, Fleet Management Plan (not Fleet Status Report), Grant Amendment, Lapsed Funds, Legal Settlement, (Not Market Value), Local Governmental Authority, Refurbishment, Rent Schedules, Rolling Stock Status Report, Uniform Act, Urbanized Area
- Chapter I – Federal Program Goals – The overall national goals of the Section 5311 program are missing four of the national goals: 1. providing financial assistance to help carry out national goals related to mobility for all, including seniors, individuals with disabilities, and low-income individuals; 2. increasing availability of transportation options through investments in intercity bus services; 3. assisting in the development and support of intercity bus transportation; 4. encouraging mobility management, employment-related transportation alternatives, joint development practices, and transit-oriented development
- Chapter I – References – Many of the references are incorrect or out of date and have the correct reference in the comments section.
- Chapter I – State Role in Program Administration – Responsibilities listed in Item 4 do not include the complete listing of responsibilities found in Circulars 9070.IG and 9040.IG (the full list are included in the comments section of the document).
- Chapter II – Section 5311 Eligible Recipients – The section needs to be edited to reflect recipients and subrecipients. A breakdown is included in the comments section of the document.
- FTA Circular Hyperlinks – Due to changes to the FTA website, all of the FTA hyperlinks in the document are broken. Corrected hyperlinks are included in the comments section for each occurrence.
- Chapter II – Section 5311 Project Operating Expenses – FAST Act also allows for up to 20% of the 5311 allocation (previously 10%) to be used for the operation of paratransit service if certain conditions are met.
- Chapter II – Section 5311 Local Share – FAST Act allows for revenue from income and/or concessions, not just net income from those items.
- Chapter IV – State Role in Program Administration – The section does not include the list of roles in FTA Circular 9070.IG. The list of roles is included in the comments section of the document.
- Chapter IV – Eligible Service – Update terminology throughout document (Elderly Person to Senior; Disabled Person to Individual with Disability).
- Chapter IV – Eligible Assistance Categories – The list does not include all of the items listed in FTA Circular 9070.IG. The missing items are included in the comments section of the document.

- Chapter VI – Coordinated Public Transit Human Services Transportation Plan – Some of the language included is inconsistent with the FTA Circular 9070.1G for Items 2(b) and 2(c).
- Chapter VIII – Method of Distribution – Item 8: This section needs to be revised to meet Circular 9040.1G. There is no limitation on the use of Section 5311 funds for operating assistance; however, the state must use at least 15 percent of its annual apportionment to support intercity bus service, unless the governor certifies, after consultation with affected intercity bus providers, that the intercity bus needs of the state are adequately being met.
- Chapter VIII – Transfer of FTA Funds – FAST Act changed the amount of administration expenses from up to 15% to up to 10%.
- Chapter IX – Annual Program Development and Project Approval – The Program of Projects (POP) template provided in the circular includes additional columns from the MDOT POP: Quantity, Local Amount, Total Amount, Coordination Plan Date & Page, Eligible Project Type and Capital/Operating.
- Chapter IX – Revisions to POP – Item G(1)(i) is not consistent with Circular 9070.1G. The circular reads "Delete a project from the POP, if the project is less than 20 percent of the total of the affected POP".
- Chapter IX – Revisions to the POP – Item G(1)(iii) is not listed in the circular as an eligible item to revise the POP.
- Chapter IX – Revisions Requiring Notification to FTA, but Not FTA Approval – The language is not consistent with the FTA Circulars. Corrected language is included in the comments section of the document.
- Chapter IX – Revisions Requiring FTA Approval – Same as above.
- Chapter XI – Property Management – Definitions for Excess Property and Net Proceeds for sale of property are inconsistent with FTA Circular 5010.1D.

If you have any questions, or would like more information on the items above, feel free to contact me by phone at 321-320-5694 or by e-mail at znbalassone@transystems.com.

Appendix C: MDOT Procurement Survey

Improving Federal Transit Administration Vehicle Procurement in Mississippi Survey Methodology Memo

A. Introduction

This memo lays out the methodology for conducting a survey of existing transit vehicle procurement methodologies for the states listed in Table 1. States in Table 1 represent a variety of staff levels and transit agencies served. Some states allow subrecipients to purchase vehicles through the state contract or conduct their own procurement process. The survey questions will focus on the purchase of vehicles through the state contract. A review of the documentation and procurement guidance obtained from each of the agencies via their websites and the state procurement officers on the attached contact list will also be conducted.

Table 1. State DOT Procurement Methodologies for Review

State DOT
Florida
Iowa
Michigan
Minnesota
New Mexico
North Carolina
Ohio
Pennsylvania
South Carolina
Wisconsin

B. Recommended Survey Questions

Survey questions will be posted on Survey Monkey with follow-up phone calls conducted as necessary for clarification. [A preview of the survey can be found here.](#)

Welcome to a survey for the Mississippi Department of Transportation's (MDOT) "Improving Federal Transit Administration Vehicle Procurement in Mississippi Study". This study seeks to understand what measures and best practices can be implemented in Mississippi to improve the procurement of transit vehicles. The survey is designed to better understand other State DOT transit vehicle procurement processes, and specifically, what role each state agency plays and how state agencies interact with subrecipients and vendors throughout the process.

The following questions focus on how your state DOT purchases transit vehicles that are obtained under FTA funded formula grant programs on behalf of your subrecipients. In advance, thank you for taking the time to respond to the survey and participate in the study. If you have any questions regarding this survey, please contact Mike Sullivan at (615) 770-8566 or mike_sullivan@gspnet.com.

A. State Agency Profiles

1. How many FTA programs does your state administer?
2. What is the annual amount of capital funds expended by program and source (federal/state)?
3. How many employees work in the transit division of the State DOT?

B. State Agency Participation

4. What state department is the lead agency for transit vehicle procurement through the state contract?
5. Does your state purchase vehicles through an Invitation for Bids (IFB) or Request for Proposals (RFP) process?
6. How long does your procurement process take to complete (from bid packet compilation to contract award)?
7. Do you conduct a pre-bid conference?
8. If yes, what are the strengths and weaknesses of the pre-bid conference?
9. What state agency is responsible for conducting the cost and price analysis required by FTA?
10. Who is responsible for conducting the Buy America inspection requirements?
11. What restriction(s), if any, does your State DOT find most problematic or complex in the acquisition process?

C. Vehicle Specifications

12. Who is responsible for developing the vehicle specifications for the bid documents?
13. Do different individuals develop the technical specifications as opposed to the boilerplate language that may be considered part of the specifications?
14. How do you develop specifications for particular vehicle sizes?
15. Are subrecipients and vendors involved in the development of the vehicle specifications? If yes, please explain how and to what extent they are involved (i.e. Statewide Spec Committee, Regional Working Groups, etc.).
16. How often are specifications reviewed and updated?
17. How do you stay up-to-date with the changes in the transit vehicle industry?
18. Who is keeping current with FTA requirements?
19. Please briefly describe the steps taken in your pre-award audit process. Please include the individuals and agencies involved.
20. How are you ensuring that specifications are met before contract award?

D. Best Practices

21. Are subrecipients required to submit a capital improvement plan to demonstrate need to make purchases through the State contract?
22. Does your State DOT face challenges in providing a variety of bus options to meet subrecipient needs? Please explain.
23. When was your last FTA triennial review? What, if any, recommendations were made to improve your vehicle procurement process?
24. What was your last FTA State Management or Procurement Process Reviews? What, if any, recommendations were made to improve your vehicle procurement process?
25. Are you aware of any planned changes to your transit procurement procedures? If so, what changes, and what prompted the changes?
26. Do you have any suggestions, ideas, or practices not covered in this survey that might improve the vehicle procurement process? Please briefly describe any.